

# **EXHIBIT 4**

# THE WALL STREET JOURNAL.

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## 3M CEO on N95 Masks: 'Demand Exceeds Our Production Capacity'

As coronavirus crisis mounts, manufacturers ramp up to meet huge demand for protective equipment



An N95 respiration mask underwent tests at a 3M lab last month.

PHOTO: NICHOLAS PFOSI/REUTERS

By *Austen Hufford*

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American manufacturers say it will be months before they meet demand for high-quality masks, part of a broader breakdown in the effort to supply enough protective gear and lifesaving equipment to fight the coronavirus pandemic.

**3M Co.** MMM -1.04% ▼ and a half dozen smaller competitors are making about 50 million of N95 masks—which block 95% of very small particles—in the U.S. each month. That is far short of the 300 million N95 masks the Department of Health and Human Services estimated in March that U.S. health-care workers would need monthly to fight a pandemic. U.S. hospitals that previously purchased masks from abroad have turned to overburdened domestic suppliers after many countries blocked exports to fight the virus within their own borders.

“The demand we have exceeds our production capacity,” 3M Chief Executive Mike Roman said in an interview.

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Other companies said they are racing to add machines and hire staff to make tens of millions more masks each month. The domestic production boom is a reversal after three decades that manufacturers spent moving production of masks and other medical gear to China and elsewhere, amid the broader shift of industrial capacity to lower-cost countries. Hospital buyers supported a strategy that kept down costs for critical equipment.

But the coronavirus pandemic has overwhelmed that scattered supply chain. Hospitals and public officials are competing for all the available N95 masks, as well as less-sophisticated surgical masks and ventilators.

To fill that gap, car makers including Ford Motor Co. F -2.93% ▼ and General Motors Co. GM -0.65% ▼ are planning to build ventilators and clothing makers are sewing surgical and cotton masks, which are less protective than N95 masks. Public-health authorities in the U.S. are reviewing whether to encourage people to wear such masks in public to help contain the pandemic.

3M's N95 masks are considered the gold standard by medical workers and public-health officials. The Minnesota-based company developed the first modern disposable face masks in the 1960s, and kept making millions of masks each month in the U.S. even after competitors moved most of their output overseas.

Before the pandemic took hold this year, most of the 50 million N95 masks that 3M made globally each month were used to protect factory workers from metal shavings and other hazards, Mr. Roman said. That level of production was enough to meet demand from both medical and factory workers. Now, he said, 90% of the masks that 3M sells are going to medical workers.

3M began ramping up mask production after the World Health Organization on Jan. 11 reported the first deaths from Covid-19, the disease caused by the coronavirus. By mid-March 3M had doubled its output to nearly 100 million masks a month globally, and 35 million a month in the U.S., at plants in South Dakota and Nebraska. the company also has said it would import 10 million masks this month from its factory in China, which earlier this year was restricted from sending goods abroad.

Mr. Roman said 3M wants to double its global mask production over the next year. That plus more domestic mask production that Honeywell International Inc. and other companies plan to add in the months ahead would meet the domestic demand the pandemic has created, officials

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“The first step was ramping up our idle capacity. The second step is expanding it,” Mr. Roman said.

Smaller manufacturers Moldex-Metric Inc. and Prestige Ameritech Ltd. make about 10 million N95 masks each month combined, according to the companies. Their output plus 3M’s mask production represents the bulk of current U.S. capacity, according to industry leaders, augmented by smaller quantities from companies including Alpha Pro Tech Ltd. and Louis M. Gerson Co.

HHS has urged manufacturers for years to add domestic mask-making capacity in case of an emergency. “Supplies will be short during a pandemic,” the federal agency said in a 2007 presentation to manufacturers reviewed by The Wall Street Journal.

The agency in March ordered 600 million N95 masks from five companies to distribute to hospitals and augment the national medical-supply stockpile over the next 18 months. The purchase includes orders for 190 million masks each from 3M and Honeywell and 130 million from medical-supplies company Owens & Minor Inc., OMI 0.42%▲ the agency said in an email.

Honeywell, which primarily made masks outside the U.S. before the pandemic, said it plans to hire 1,000 workers to make 20 million N95 masks a month by May at plants in Rhode Island and Phoenix. 3M said it will be making 50 million masks a month in the U.S. by June.

Moldex-Metric said it is making eight million N95 masks a month, and Prestige Ameritech said it is making two million masks a month. Dozens of smaller manufacturers are also buying equipment to start making masks.

But many of their new machines won’t be installed for months, manufacturers said. Some mask components, including a filtering material called polypropylene, are also in tight supply.

Total Petrochemicals USA, a division of France's Total SA, is a major supplier of polypropylene to manufacturers including 3M, according to a person familiar with 3M's supply chain. Total said it has boosted global production of polypropylene to meet rising demand.

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Strong Manufacturers, a medical-equipment distributor, recently installed three mask-making machines at a factory in North Carolina, but can't find enough raw materials to use them. The machines need a hard-to-find shape of elastic band, said Charles Fatora, the company's head of global procurement.



Personnel aboard the USNS Comfort were instructed on how to wear an N95 mask as the hospital ship prepared to admit patients this week in New York.

PHOTO: SARA ESHLEMAN/AGENCE FRANCE-PRESSE/GETTY IMAGES

"I have a gun on the front line. I just need some ammo," he said.

Medicom Group, a Montreal-based mask maker, said it is opening a factory in Canada to make N95 and surgical masks after signing a supply agreement with the Canadian government. The company wants a similar commitment from officials in the U.S., where Medicom operates a surgical-mask plant, to buy its masks even after the pandemic ends.

"If we do not have a long-term agreement, how can we invest more and more dollars into equipment that is going to sit and rot," said Medicom Chief Executive Ronald Reuben.

Imports of N95 masks from China, the world's top producer of medical gear, have resumed after a weekslong export stoppage as officials diverted production to fight the outbreak in the country where it began.

Lloyd Soong, chief executive of Singapore-based Pasture Pharma Pte, which makes one million N95 masks a day in China and other Asian countries, said raw material shortages have made it

hard to boost output. A chunk of his output is still being requisitioned by government entities in China, leaving him with limited supply for eager customers in the U.S.

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